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MCS-035

**MASTER OF COMPUTER
APPLICATIONS (MCA) (REVISED)**

Term-End Examination

June, 2022

**MCS-035 : ACCOUNTANCY AND FINANCIAL
MANAGEMENT**

Time : 3 Hours

Maximum Marks : 100

Weightage : 75%

Note : *Question No. 1 is compulsory and carries 40 marks. Attempt any **three** questions from the remaining questions. Each question carries 20 marks.*

1. (a) The Trial Balance of X for the year ended 31st March, 2019 is given below. Prepare Trading and Profit and Loss A/c for the year ended 31st March, 2019 and Balance Sheet as on that date : 20

Additional information is as follows :

- (i) Closing stock was valued at ₹ 3,250.

P. T. O.

- (ii) Depreciate building at 5%, furniture at 10% and machinery at 20%.
- (iii) Interest of ₹ 85 is payable on bank overdraft.
- (iv) Salary of ₹ 300 and tax of ₹ 120 are outstanding.
- (v) Insurance prepaid is ₹ 100.
- (vi) One-third of commission is received in advance.
- (vii) Furniture purchased worth ₹ 100 is included in purchases.
- (viii) Write-off ₹ 100 as further bad debts and reserve for doubtful debts is to be made equal to 5% of debtors.

Particulars	Dr. Amount (₹)	Cr. Amount (₹)
Furniture	640	
Building	7,500	

Machinery	6,250	
Bad Debts	125	
Debtors and Creditors	3,800	2,500
Opening Stock	3,460	
Purchases and Sales	5,475	15,450
Sales Return and Purchases Return	200	125
Advertisement	450	
Interest	118	
Cash	650	
Commission		375
Tax and Insurance	1,250	
General Expenses	782	
Salary	3,300	
Bad Debt Reserves		200
Bank Overdraft		2,850
Capital		12,500
Total	34,000	34,000

(b) Explain the following accounting concepts : 20

- (i) Business entity concept
- (ii) Money measurement concept
- (iii) Continuity concept
- (iv) Cost concept

2. What is a cash flow statement ? How is the cash from operating activities calculated ? 20
3. What do you understand by Investment Appraisal ? Describe any *two* discounted cash flow techniques used for investment appraisal. 20
4. What do you understand by Operating Cycle Concept ? Describe the various strategies of working capital management. 20
5. What are the objectives of inventory management ? Describe in detail the Economic Order Quantity (EOQ) technique of inventory management. 20